



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO:
AGENDA DATE: 09/28/2006
PAGE: 1 OF _

SUBJECT: Authorize the negotiation and execution of a one-year service agreement with the City of Austin in an amount not to exceed \$14,454,256 to fund the Corporation's management and operation of various City housing programs in Fiscal Year 2006-2007.

AMOUNT & SOURCE OF FUNDING: The sources to fund the annual Austin Housing Finance Corporation (AHFC) service agreement include: \$1,043,000 from the Housing Trust Fund; \$500,000 from the City UNO-Housing Trust Fund; \$2,108,193 from the City S.M.A.R.T. Housing™ Capital Improvement Project Fund; \$3,831,263 from the HUD HOME Program; \$2,567,692 from the HUD Community Development Block Grant; \$101,815 from the HUD American Dream Down Payment initiative; \$450,000 from HUD Community Development Block Grant Program Income; \$2,711,040 from HUD HOME Program Income; \$524,000 from HOME Match Program Income; and \$617,253 from the General Fund.

FISCAL NOTE: A fiscal note is attached.

REQUESTING
DEPARTMENT: *Austin Housing Finance Corporation*

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION:

BOARD AND COMMISSION ACTION:

By this action the Board approves the negotiation and execution of a one-year service agreement with the City of Austin in an amount not to exceed \$14,454,256 to manage and operate various City housing programs in Fiscal Year 2006-2007, including Tenant Based Rental Assistance, Rental Housing Development Assistance, Architectural Barrier Removal-Rental, Home buyer Lending Assistance, Acquisition and Development, Architectural Barrier Removal-Homeowner, Emergency Home Repair, Homeowner Moderate Rehabilitation, and Material Grants.

The Austin City Council created the Austin Housing Finance Corporation (AHFC) in 1979 as a public non-profit corporation to facilitate the financing and development of affordable housing for low- and moderate-income residents. As an instrumentality of the City, the AHFC administers affordable housing programs using City grants, federal grant funds from the U.S. Department of Housing and Urban Development, the City's Housing Trust Fund, funds generated by the Corporation, and an annual appropriation for the AHFC's Housing Assistance

Fund (See Exhibit A for Fiscal Year 2006-2007 budgeted funds). AHFC offices are located in the Neighborhood Housing and Community Development Office and its employees are City employees.

As the City's designated affordable housing agency, AHFC has been granted administration of the City's Housing Trust Fund. The Fund's Fiscal Year 2006-2007 budget allocation of \$1,043,000 will be used to expand several programs, including Affordable Rental Housing, Acquisition and Development, Tenant Based Rental Assistance, and Materials Grants.

The S.M.A.R.T. Housing™ Capital Improvement Program funds will be used for the First-Time Homebuyer Program, Acquisition and Development Program, and the Housing Development Assistance Program. All AHFC-financed or developed new residential construction will meet S.M.A.R.T. Housing™ criteria.

**CITY OF AUSTIN
AUSTIN HOUSING FINANCE CORPORATION
PROPOSED FY 2006-07 BUDGET (Exhibit A)**

<u>Sources of Funds</u>	Funding Source	FY 05-06	Funding	Budget	Projected	Households Served
		CarryForward	FY06-07	Amendment #1	Program Level FY06-07 (Estimated plus Funding FY05-06)	
Transfer From City of Austin (COA)	Housing Trust Fund	1,790,617	1,043,000	-	2,833,617	
	UNO - Housing Trust Fund	37,824	500,000	-	537,824	
	General Fund	-	-	617,253	617,253	
	S.M.A R T. Housing CIP	-	1,108,193	1,000,000	2,108,193	
		<u>1,828,441</u>	<u>2,651,193</u>	<u>1,617,253</u>	<u>6,096,887</u>	
Program Income	CDBG	685,325	400,000	50,000	1,135,325	
	HOME	1,194,478	2,000,140	710,900	3,905,518	
	CIP	914,190	-	-	914,190	
	HOME Match	-	350,000	174,000	524,000	
		<u>2,793,993</u>	<u>2,750,140</u>	<u>934,900</u>	<u>6,479,033</u>	
Grant Proceeds	CDBG	537,254	2,567,692	-	3,104,946	
	ADDI	-	101,815	-	101,815	
	HOME	4,649,874	3,831,263	-	8,481,137	
		<u>5,187,128</u>	<u>6,500,770</u>	<u>-</u>	<u>11,687,898</u>	
Total Source of Funds	<u>9,809,562</u>	<u>11,902,103</u>	<u>2,552,153</u>	<u>24,263,818</u>		
Uses of Funds						
HOUSING DEVELOPMENT						
<u>Assisted Housing</u>						
Tenant-based rental assistance	HOME	107,629	400,000	-	507,629	
	PI (HOME)	-	50,763	-	50,763	
	HTF	101,532	-	-	101,532	105
Subtotal, TBRA		<u>209,161</u>	<u>450,763</u>	<u>-</u>	<u>659,924</u>	<u>105</u>
Subtotal, Assisted Housing		<u>209,161</u>	<u>450,763</u>	<u>-</u>	<u>659,924</u>	<u>105</u>
<u>Rental Housing:</u>						
<u>Rental Development Services</u>						
Rental Hsg Development Assistance	HOME	-	1,589,826	-	1,589,826	
	PI (HOME)	-	-	133,000	133,000	
	CDBG	370,096	285,318	-	655,414	
	HOME (CHDO)	300,000	-	-	300,000	
	UNO	37,824	500,000	-	537,824	
	GF-CIP	-	-	1,000,000	1,000,000	
	HTF	1,253,930	1,043,000	-	2,296,930	181
Subtotal, Rental Housing Dev. Assist		<u>1,961,850</u>	<u>3,418,144</u>	<u>1,133,000</u>	<u>6,512,994</u>	<u>181</u>
Architectural Barrier Program	CDBG	-	270,000	-	270,000	268
Voluntary Compliance	GF-CIP	-	34,000	-	34,000	1,000
Anderson Hill Redevelopment	PI (HOME)	600,000	1,200,000	-	1,800,000	-
Subtotal, Rental Housing		<u>2,561,850</u>	<u>4,922,144</u>	<u>1,133,000</u>	<u>8,616,994</u>	<u>1,449</u>
<u>Homebuyer Services</u>						
<u>Homebuyer Assistance</u>						
Down Payment Assistance	HOME	1,237,880	158,366	-	1,396,246	
	PI (HOME)	-	250,000	270,000	520,000	
	HTF	61,547	-	-	61,547	
	ADDI	-	101,815	-	101,815	166
Subtotal, Down Payment Assistance		<u>1,299,427</u>	<u>510,181</u>	<u>270,000</u>	<u>2,079,608</u>	<u>166</u>
Subtotal, Homebuyer Assistance		<u>1,299,427</u>	<u>510,181</u>	<u>270,000</u>	<u>2,079,608</u>	<u>166</u>
<u>Homeownership Development</u>						
Acquisition & Development	CDBG	-	-	-	-	
	HOME	-	64,853	-	64,853	
	CDBG-Rev. Loan	126,925	400,000	50,000	576,925	
	GF	-	-	-	-	
	GF-CIP	-	1,074,193	-	1,074,193	
	HAF	914,190	-	-	914,190	
	HOME Match	-	350,000	174,000	524,000	
	HOME (CHDO)	-	638,544	-	638,544	
	PI (HOME)	-	449,377	35,900	485,277	40
Subtotal, Acq. & Development (owner)		<u>1,041,115</u>	<u>2,976,967</u>	<u>259,900</u>	<u>4,277,982</u>	<u>40</u>
CHDO Capacity Building	HOME (CHDO)	-	125,000	-	125,000	20
Anderson Hill						
Juniper/Olive Street Housing Project	PI (CDBG)	558,400	-	-	558,400	10
Homeownership	HOME	830,053	-	-	830,053	15
Subtotal, Anderson Hill Redevelopment		<u>1,388,453</u>	<u>-</u>	<u>-</u>	<u>1,388,453</u>	<u>25</u>
Subtotal, Homeownership Development		<u>2,429,568</u>	<u>3,101,967</u>	<u>259,900</u>	<u>5,791,435</u>	<u>85</u>

Sources of Funds	Funding Source	FY 05-06 CarryForward	Funding FY06-07	Budget Amendment #1	Projected	Households Served
					Program Level FY06-07 (Estimated plus Funding FY05- 06)	
Subtotal, Homebuye Services		<u>3,728,995</u>	<u>3,612,148</u>	<u>529,900</u>	<u>7,871,043</u>	<u>251</u>
Owner-Occupied Housing:						
Housing Rehabilitation Services						
Architectural Barrier Program	CDBG	167,158	1,157,374	385,849	1,710,381	360
Emergency Repair Program	CDBG	-	855,000	231,404	1,086,404	450
Materials Grants Program	HTF	73,608	-	-	73,608	10
Homeowner Rehabilitation Loan Program	CDBG	-	-	-	-	-
	PI (HOME)	594,478	50,000	272,000	916,478	-
	HOME	2,174,312	854,674	-	3,028,986	30
Subtotal, Homeowner Moderate Rehab		<u>2,768,790</u>	<u>904,674</u>	<u>272,000</u>	<u>3,945,464</u>	<u>30</u>
Subtotal, Housing Rehabilitation Services		<u>3,009,556</u>	<u>2,917,048</u>	<u>889,253</u>	<u>6,815,857</u>	<u>850</u>
Subtotal, Owner-Occupied Housing		<u>3,009,556</u>	<u>2,917,048</u>	<u>889,253</u>	<u>6,815,857</u>	<u>850</u>
Community Development						
Neighborhood Revitalization						
Housing Info Referral - Homebuyer Counseling	CDBG	300,000	-	-	300,000	133
Subtotal, Neighborhood Revitalization		<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>133</u>
Subtotal, Community Development		<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>133</u>
ADMINISTRATION						
Bond Program		-	-	-	-	60
Asset Management		-	-	-	-	-
Administration		-	-	-	-	-
SUBTOTAL, Administration		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
Total Uses of Funds		<u>9,809,562</u>	<u>11,902,103</u>	<u>2,552,153</u>	<u>24,263,818</u>	<u>2,788</u>